

Letter by the Management Board

Dear shareholders,

With our long-term mission “to change the way people eat, forever”, we operate in one of the largest and most complex consumer categories in the world: food. It is deeply personal, operationally unforgiving, and relentlessly competitive. Customer expectations compound every year — more selection, better quality, greater convenience, stronger value. What once felt differentiated quickly becomes table stakes.

Over the past year, we have seen consumer behavior shifting decisively toward “eating real food”: real ingredients, nutritional transparency, and fewer industrial shortcuts. Consumers increasingly recognize that food is one of the most powerful drivers of long-term health and energy. The debate is no longer simply about convenience; it is about the quality of what is convenient. This structural tailwind benefits both of our core offerings: meal kits built around the freshest ingredients cooked from scratch, and ready-to-eat meals designed with scientific precision, innovative cooking techniques and premium ingredients.

Being in the right category, however, is not enough. Winning in food requires continuous progress across four dimensions simultaneously: selection, quality, convenience, and value for money. Customers raise the bar constantly — and so must we.

Over the past two years, we made a deliberate decision. Before meaningfully expanding selection and upgrading ingredients, we would first strengthen the foundation of the business. In 2025, we outlined two priorities, deliberately sequenced:

- Execute our MEUR 300 efficiency reset program, and
- Reinvest into our products to materially enhance the customer experience.

The order matters. As discussed in our prior letter, this creates a powerful flywheel: efficiency funds product improvements; better product drives retention and lifetime value; retention unlocks sustainable, profitable growth.

The Efficiency Reset

The reset has progressed meaningfully. Permanent reductions in overhead, simplification of organizational layers, direct labor productivity gains, and network optimization have structurally lowered our fixed cost base and improved unit economics per order. We also made disciplined portfolio decisions, including exiting Spain and Italy, to reallocate capital and management attention toward markets and product investments with stronger long-term returns.

The financial outcomes reflect this structural improvement:

- Free cash flow, excluding repayment of lease liabilities, nearly doubled year-over-year,
- Group AEBITDA increased meaningfully despite lower volumes, and
- AEBITDA per order rose materially, demonstrating improved earnings power at the unit level.

Taken together, these metrics demonstrate that the underlying earnings power of the Group has strengthened materially.

This progress is particularly visible in meal kits. Deliberately prioritizing efficiency over volume growth, the business delivered a highly competitive AEBITDA margin of 13.5% in 2025, improving faster than we initially anticipated when outlining the reset strategy in 2024. Fixing the foundation first was the right choice. We now operate a structurally leaner and more profitable meal kit business with significantly greater reinvestment capacity.

At the Group level, however, this improvement has been partially obscured by two factors. First, the significant weakening of the U.S. dollar created a material translational headwind to reported results, without altering the underlying local currency performance of our operations. Second, the Ready-to-Eat segment posted an AEBITDA loss in 2025 rather than contributing positively as originally expected, weighing heavily on consolidated group profitability. Both of these effects adversely impacted reported results. Neither changes the structural progress achieved through the efficiency reset.

The underperformance in US RTE was primarily operational in nature. In H1 2025, we absorbed inflated costs associated with changing our manufacturing processes, while meal quality issues negatively affected customer retention.

Similar to meal kits we turned to fixing the foundation first and prioritized reversing customer sentiment as quickly as possible, while reducing growth investment significantly in H2 2025. Even though this has led to a short-term decline in our active customer base as we enter 2026, we have successfully restored both quality scores, customer sentiment and, most importantly, active customer order rates to target levels, ensuring that future volume growth is built on a foundation of operational excellence. Our other RTE businesses in Canada, Europe, and Australia which were not impacted by these challenges, have progressed according to plan and posted strong YoY growth and improved profitability.

Product Reinvestment: The Refresh

Long-term retention remains the single most powerful lever for creating stable growth and sustainable free cash flow in a direct-to-consumer subscription model. In our data, the two strongest proven drivers of retention are meal quality and menu breadth. Customers stay longer and order more frequently when quality is consistently high and selection is meaningfully broad.

There are no shortcuts here. Customer value must be earned plate by plate.

That is why, in summer 2025, we initiated the largest product investment cycle in our company's history, "The Refresh", building on a series of successful experiments earlier in the year.

We expanded protein variety, introduced new cuisines, and significantly broadened the number of unique ingredients and SKUs across our menus. In addition we have seen great success in upgrading the quality of some key SKUs we feature weekly on our menu such as introducing organic options for dairy and our main proteins, higher welfare standards and have selectively increased portion sizes. Consequently, we have seen some of the highest NPS ratings and best scores in "value for money" perception in years despite raising prices.

The whole product investment program follows a stage-gated approach, focussing on select markets first, and only rolling out proven, KPI-moving initiatives to all geographies when we meet our pre-established success metrics; while we are laser-focused on continuously increasing customer value through that program, it also allows us to support price increases which can in turn fund future investments.

The objective is clear: elevate quality, materially expand menu breadth, and strengthen long-term customer loyalty — all on a structurally improved cost base.

As a consequence of the promising results to date, we will continue to cautiously increase the size of this reinvestment program to reap the full benefits of improved long-term retention. Our mid-teen AEBITDA margins in meal kits allow for such reinvestment.

AI as structural force multiplier

An increasingly important enabler of both our efficiency reset and our product reinvestment is the disciplined integration of AI across our value chain.

Food at our scale is a data-intensive business. Every menu decision, demand forecast, procurement contract, production schedule, and personalization algorithm compounds operational complexity. Historically, scaling menu breadth and personalization required proportional increases in manual coordination and overhead. That constraint is now meaningfully changing.

We are embedding AI deeply into SKU forecasting, menu design, personalization, procurement optimization, content generation, customer support and software development. This has already allowed us to expand menu variety, accelerate product design cycles, and improve productivity across functions without increasing organizational complexity at the same rate. The recent expansion of our menus, particularly in meal kits, would not have been operationally feasible at this scale three years ago. AI is helping us manage combinatorial complexity in a way that strengthens our competitive position.

We approach this technology shift pragmatically and with discipline. Our goal is not experimentation for its own sake, but generating structural advantages that compound over time. Few periods in history have offered this level of opportunity to improve both productivity and product innovation simultaneously.

Food rewards patience and operational discipline. When underlying profitability funds innovation, and innovation strengthens long-term retention, the flywheel will turn in our favor.

While our reported results in 2025 did not yet fully reflect the structural improvements made across the business, we remain confident in the strategic direction we have taken. The foundations of the company are stronger today than they were two years ago and we are deeply committed to turning operational improvements into financial results.

We would like to thank our shareholders for their continued belief in our long-term vision despite the short-term headwinds, and our teams for their dedication and resilience during a year of significant operational change.

Berlin, 17 March 2026

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